

TOWN OF GRANBY

INTRA-BOARD ADVISORY COMMITTEE

FINAL REPORT

Dated: December 15, 2015

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Dear Board of Selectmen, Board of Education, and Board of Finance Members:

In the spring of 2014, the Granby Board of Selectmen, in collaboration with the Board of Education, established an "Intra-Board Advisory Committee" (IBAC). The committee's charge was as follows:

- To explore opportunities and methods to improve Town and School District services.
- The Committee membership would consist of seven members. One member each shall be appointed by the Chairmen of the Board of Selectmen, the Chairman of the Board of Education, and the Chairman of the Board of Finance. The First Selectman and the Chairman of the Board of Education shall serve as ex-officio members. The Town Manager and Superintendent of Schools shall serve as ex-officio non-voting members.
- Meetings would convene on the call of the First Selectman in conjunction with the BOE Chairman.
- Committee findings and any recommendations shall be reviewed by the represented boards to be presented for discussion at the annual Three Board meeting. A formal report documenting findings and recommendations would subsequently be submitted to the Board of Selectmen.

Committee membership consisted of seven members; one member each from the Board of Selectmen, Board of Education, and Board of Finance. The First Selectman and the Chairman of the Board of Education served as ex-officio members. The Town Manager and Superintendent of Schools served as ex-officio non-voting members.

During the intervening months, since being chartered, the committee has conducted research into and through the following summaries it's reporting out on the Town and District activities:

- Information Technology
- Town and School Buildings and Grounds Maintenance Operations
- Financial Operations
- Solar Power Opportunities (Increased Energy Efficiency through Solar)
- Human Resources Organizations
- Retirement Benefits

The Committee has concluded that further value will be realized through institutionalizing the Town and BOE commitment to operational coordination, collaboration, and integration as opportunities arise, and that this can best be accomplished, at this time, through a formal Memorandum of Understanding (MOU) between the three governing Boards. The committee further recommends that the respective boards direct the actions of the Town Manager and Superintendent in relation to the action items as outlined in this report.

If the Board of Selectmen / Education / Finance agree, a VOTE to adopt the findings of this committee is recommended.

Very truly yours,

IBAC Co-Chairs

B. Scott Kuhnly, First Selectman

Ronald Walther, Board of Education Chairman

Intra-Board Advisory Committee:

B. Scott Kuhnly, First Selectman

Ronald Walther, Board of Education Chairman

Edward Ohannessian, Board of Selectman

Jenny Emery, Board of Education

Kelly Rome, Board of Finance

William F. Smith, Jr., Town Manager

Alan Addley, Superintendent of Schools

IBAC's Review of Information Technology

Background

The Intra-Board Advisory Committee conducted a review of the Information Technologies departments of both the town and school operations. The town utilizes the services of a part time consultant, as well as support staff throughout town hall for administrative IT tasks. The school has a full time Director of Technology, with 4 support staff to provided technology services district wide.

Our Research

The IBAC review consisted of interviews and presentations by both Technology professionals with assistance of the Town Manager and Superintendent of Schools. Some of the opportunities explored included:

- 1) Cost effective procurement of hardware, software, and contracted support services
- 2) Reduced risk of disruption of service through increased redundancy in staff support
- 3) Improved support to users in identifying, selecting, and implementing new systems and software support (e.g. Tax and assessment software; public/guest wireless access in all community facilities; building and public security systems; facility HVAC and environmental controls)
- 4) Enhanced recognition and containment of cyber risk threats;
- 5) Increased identification and securing of potential alternative revenue sources, such as state, federal, or non-profit foundation grants; and
- 6) Continued responsiveness to ever-increasing user needs.

The committee's review established that regular informal meetings and collaboration do currently exist between both agencies IT professionals. The committee found there is no formal process mandate for this to occur.

Conclusions

The ongoing threat of cyber risk, staff or operational changes, and increased changes in technology services offered, warrants the collaboration on a more formal basis. IBAC recommends that the town Manager and Superintendent develop a plan of collaboration and formalized integration of IT which may include developing a single department structure formalized through a three-board Memorandum of Understanding, and enhancing the job description and responsibilities of the information and technology personnel.

This suggested pilot program recognizes the school and town IT departments as one system working on school and town needs and formal integration of the two agencies may offer more responsiveness to all business constituents.

IBAC's Review of Town and School Buildings and Grounds Maintenance Operations

Background

The question of whether buildings and grounds maintenance activities required for effective town and school operations might achieve greater efficiencies through increased coordination or integration between Public Works (town) and Facilities (BOE) arose early in the 2014-15 IBAC process. Results of the 2004 final report of the predecessor committee included the following: *"Future effectiveness and efficiency opportunities that would also increase service levels are to be found in.... Gradual shift of fields and grounds maintenance from Education to Municipal with the attendant redeployment of resources (begin implementation of the collaborative plan for high school/middle school fields and grounds)...."* (Final Report to Board of Selectmen, December 2, 2004)

Research

Mr. Smith reported that tests of the 2004 recommendation were conducted – specifically, the mowing of field hockey playing fields by town personnel – and were found "unbeneficial." Since then, much has changed, suggesting it was time to revisit this issue.

The committee requested overviews from both Facilities and Public Works, in an effort to identify opportunities for greater efficiency or effectiveness in the deployment of personnel or equipment, in bidding and purchasing, and in responsiveness to community needs. Written reports accompanied the presentations, and minutes from the October 22, 2014 IBAC meeting summarize the discussion.

Of note is the fact that total facilities, and use by the public of those facilities, has continued to increase over the years. For example, the town has assumed responsibility for maintenance of its Holcomb Farm buildings, and has added Ahrens Park and the new Recreation Center building at Salmon Brook Park. The new turf fields and stadium at the High School sees substantially increased usage, not just by sports teams but by the community as a whole, and new school security protocols, require increased maintenance. Resources at both Facilities and Public Works are described as "overloaded."

One change over the recent past is increased ad hoc collaboration between Facilities and Public Works, as needed: shared use of some subcontractor resources, shared use of some equipment and staff in response to storms, and for special projects (e.g. school tennis court resurfacing).

Conclusions

IBAC has concluded that the overall buildings and grounds maintenance service, provided through Facilities and Public Works, has efficiently assumed increased responsibilities commensurate with increased community resources. We encourage continued ad hoc collaboration, and identify no other immediate changes to further improve efficiency or enhance service to the Granby community.

IBAC's Review of Financial Operations

Background

The review of financial operations centered on the roles and responsibilities of town and BOE staff with a background thesis that the potential consolidation of all or portions of the town and BOE finance functions would further strengthen operational cooperation, provide in-house back-up support and prepare for the continued growth in future responsibilities and additional services required by town residents.

Research

The IBAC review consisted of meetings and presentations by town staff including the Town Manager and Superintendent of Schools. All areas of both finance operations were reviewed in lengthy sessions which included follow-up assignments. In addition, IBAC met with a representative of a regional accounting firm's consulting practice to discuss potential integration scenarios and review how other towns approached the integration of financial operations.

On the surface, combining one or all financial operations seemed possible and reasonable. However, our review revealed several distinct attributes of Granby's financial operations. Both the Town and BOE manage financial responsibilities with small and highly experienced staffs. In addition, individual employees may perform several interrelated tasks that in larger town or city organizations would be handled by task specific employees. Collaboration between town and BOE does occur at all levels.

Conclusion

Based on IBAC's review, the potential benefit gained by combining financial operations is minimal.

However, as we face the potential loss of experienced staff, the potential to combine operations to deepen cross functionality and provide backup in times of staff shortage becomes important. We should continue to review potential combinations in the financial area as warranted in situations of staffing changes, budget implications, and technology upgrades.

IBAC's Consideration of Increased Energy Efficiency through Solar

Background

When reporting on the BOE business operations, the Business Manager encouraged further exploration of solar energy as a way to reduce the roughly \$750,000 annual electric bill funded through the operating budgets of the town and BOE. A no-cost leasing option had been briefly considered by the BOS the prior year, but issues related to the location of the array and use of the land, as well as changing economic projections, made full consideration of the deal premature.

Research

In order to begin to learn more, IBAC invited C-Tec Solar to present at a meeting, and additional investigation was conducted by both town and school administrations. The range of options appears to include variations on the following:

- 1) A Granby-owned "solar farm" that would generate electricity to offset our costs; this would require a major up-front capital investment, and the use of land for siting the facility, but likely offer the greatest long-term payoff;
- 2) Entering into a "net metering" arrangement in which a solar array is located and built by an agricultural owner, with Granby contractually obligated to "purchase" the electricity produced by the facility, at a cost below retail; or
- 3) A leasing arrangement whereby a vendor builds and owns a facility on town land, and provides a discount to the town on its energy usage as a result of the deal.

Conclusions

The options for solar are evolving quickly, and the optimal solution for Granby appears to IBAC to require independent expertise. Whether through up-front capital investment, or long-term contractual agreements, there appears to be real opportunity to materially impact the annual cost to taxpayers for our electric usage – above and beyond the significant energy efficiency actions already taken. IBAC recommends the resources such as CCM be explored to learn about program options that may be appropriate for Granby. Ultimately, if necessary, the BOS and BOE should jointly engage an independent expert resource to assess the options and recommend the way forward.

IBAC's Review of Human Resources Organizations

Background

Human resources (HR) services for Granby Town employees and Granby School District employees are provided by separate organizations, governed by the Town Manager and Superintendent of Schools, respectively. The town HR function services a much smaller population (xx members) than the School District (xxx members) and utilizes a model where HR roles are distributed among several staff members. The School District centralizes this function in one department with a single, focused HR Coordinator servicing their larger member population.

Research

Per its charter, the committee conducted a review of HR services across town/school employee population to determine if employees could be better served under an alternate organization model. This review consisted of interviews with the Town Manager and School District Finance Director, who supervises the HR coordinator, describing organization and responsibilities. The committee determined there is an opportunity to improve HR focus for the smaller town employee population through consolidation of services under the School District coordinator. This transfer of responsibilities would, however, likely require additional manpower resources on the School District to handle the additional town employee population. Concerns regarding HR responsiveness and priority to the management of each organization was highlighted and needed to be addressed in any consolidation plan.

Conclusions

The committee supported an initiative to actively pursue a consolidation of Town HR services under the School District HR department. This notional consolidation initially requires a detailed study of each of the two HR organizations to determine scope of responsibilities, appropriate staffing, and transition planning. Subsequent School District staffing changes and programmatic priorities (i.e. school reconfiguration), however, required this planning initiative be delayed indefinitely.

IBAC's Review of Retirement Benefits

Background

Over the past 10-20 years there has been a broad shift in the marketplace regarding the types of retirement plans offered in both the corporate and municipal sectors. Driven by changes in regulations, employee tenure, and economic conditions, the retirement industry has shifted from the traditional employer funded defined benefit plan structure which provides employees with a guaranteed income stream in retirement to a defined contribution structure where employees have contributory individual retirement accounts that can be rolled over to a new employer's plan or take as a lump sum or annuity at termination or retirement.

For both the town and Board of Education staff, retirement benefits are determined through the negotiation process. The Board of Education cannot open up negotiations on retirement plan benefits without the direction of the Town Manager.

Research

We reviewed the various retirement plan programs currently available for both the town and Board of Education employees. The town offers both defined benefit and defined contributions plans and in some situations, the employee has the ability to elect which plan they go into. On the Board of Education side, the plan is a defined benefit plan with a contributory requirement. For purposes of this research, the teacher's program was out of scope given that it's driven by the state.

To get a competitive assessment of Granby's retirement plan benefits, we invited the town's retirement plan Consultant Actuary to speak to the group. She reiterated how the retirement industry as a whole is moving away from an employer pay all type of structure to a shared pay defined contribution/hybrid structure. With the defined contribution and hybrid structures, the employee makes a contribution which the employer may contribute a match or defined amount.

She discussed the competitive landscape for towns of similar size to Granby. In some areas Granby's benefits were higher and in others they were on par. She also shared a growing list of other towns that have moved towards a defined contribution only or hybrid approach.

Conclusions

The committee recommends both the Board of Selectmen and Board of Education adopt policies to migrate away from defined benefit plans to a defined contribution or hybrid retirement plan structure. With the appropriate support of the Town Manager, this should occur immediately so that 2015 negotiations can be opened up to include retirement benefits.